Tabacco consumption has been declining in the developed countries while consumption is forecast to rise in developing countries.

Due to sharp increase in production world over large carry-over stocks are reportedly lying with international merchants. Owing to slack demand prices have dropped significantly in many countries in 1993.

To avoid marketing problems some major FCV tobacco producing countries like Brazil, Zimbawe and India have decided to bring down the production in 1993-94.

(b) Tobacco Board has decided to reduce the production of FCV tobacco in Andhra Pradesh/Maharashtra in 1993-94 to about 68 M. kgs as against 103 M. kgs authorised in 1992-93. In Karnataka, crop size is fixed at 21 M. kgs for 1993-94, i.e. at the same level as that of 1992-93 season.

Tobacco Board has been making efforts to promote exports by sending trade delegations to existing and new markets, by participating in international trade fairs, improving the quality of FCV tobacco, encouraging exports of cigarettes and other tobacco products etc.

U.S. Government to Restrict Tobacco Import

335. DR. YELAMANCHILI SIVAJI: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that tobacco growers in USA. are pressurising U.S. Government to restrict import of tobacco;

(b) whether it is, also a fact U.S. Congress passed a legislation to limit tobacco imports;

(c) if so, what has been its impact either directly or indirectly on domestic prices of F.C.V. tobacco; and

(d) what steps are being taken to overcome this crsis?

THE MINISTER OF COMMERCE (SHRE PRANAB MUKHERJEE): (a) and (b) The U.S. Senate has incorporated a new provision in its version of the Omnibus Reconciliation Act of 1993 according to which a minimum of 75% of the tobacco used by the U.S. companies in the manufacture of cigarettes during any calander year would have to be produced in the U.S.;

(c) and (d) The U. S. is not large market for India's tobacco accounting for about 1 percent of Indian tobacco exports.

It is too early to make an assessment of the impact of the U.S. measure on domestic prices;

Increase in Crop Size of Flue Cured Virginia (FCV) Tobacco

366. DR. YELAMANCHILI SIVAJI: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that Government of Andhra Pradesh as well as the Chief Minister requested to the Central Government for increasing the crop size of Flue Cured Virginia Tobacco and to reintroduce minimum export price;

(b) if so, what are the details thereof;

(c) what steps have been taken in this regard; and

(d) whether it is advantageous to the growers; if so, what are the reasons and details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) to (d) The Tobacco Board had originally fixed a crop size of 52.68 M. kgs. for 1993-94 Andhra Pradesh/Maharashtra crop and declared a crop holiday for NBS & CBS regions. The State Government had brought to the notice of the Central Government the views of the affected farmers against the Board's decision. In view of the subsequent purchase commitments given by the tobacco

trade, the crop size was reviewed and a crop of 15.18 M. kgs. was authorised afresh in NBS & CBS regions. Total crop finally authorised is 67.86 M. kgs. as against about 103 M. kgs. authorised last year.

Minimum Export Price (MEP) for FCV tobacco has been abolished as a measure of trade liberalisation in the long term interests of the tobacco trade. It has been decided not to re-introduce (MEP) for toaacco, particularly current scenario of over-supply in the international market.

Time Bound Export Policy by State Governments

337. SHRI RAMDAS AGARWAL: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have asked State Governments to draw up time-bound export policy within two months in order to double exports by States, with special schemes in focussed areas, as reported in the Hindustan Times dated 25th November, 1993.

(b) if so, the details thereof, indicating which States have so far set up separate export-promotion cells/apex level councils boards to ensure special attention to export efforts and which States have not done so;

(c) whether Government are aware that many exporters continue to express difficulties in getting allotment of land or uninterrunted power supply and incidence of State levies like Octroi, State Excise and other inter-State barriers which inhibit export-production and free movement of export goods; and

(d) if so, what steps Government have taken so far to resolve such issues, so as to enable the exporters to accelerate exports and whether Government propose to accord "Exports" as the lead and priority-sector in the country?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) Yes Sir.

(b) The State Governments have been requested to draw upon export policy spelling out specific incentives and cost effective measures to support export production in the States.

A statement showing the institutional set up created for exports by various States is enclosed. (*See* below).

(c) Yes, Sir.

(d) The State Governments have been requested, from time to time, to exempt exports from State levies, power cuts and restrictive labour laws and create fora for continuous dialogue with the exporters. etc.

Statement

Export Promotion Cells/Directorate of Export Promotion in the State Secretariats have been created in the following States :—

Gujarat, Haryana, Maharashtra, Tamil Na du, Uttar Paradesh, Madhya Pradesh, Rajasthan Orrissa and Bihar.

Export Corporations have been established in the following States :—

Andhra Pradesh, Gujarat, Kerala, Maharashtra, Orissa, Punjab, Tamil Nadu, Uttar Pradesh, Himachal Pradesh, Madhya Pradesh, Rajasthan, Bihar and Jammu & Kashmir.

Boards/Apex Bodies under the Chairmanship of Chief Ministers/Chief Secretaries and comprising both officials and non-officials have been set up in the following States :—

Haryana, Karnataka, Orissa, Punjab, Ahndhara Pradesh, Gujarat, Kerala, Maharashtra, Tamil Nadu, Uttar Pradesh, Madhya Pradesh and Rajasthan.